

ALFALFA COUNTY CONSERVATION DISTRICT

ANNUAL FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

ALFALFA COUNTY CONSERVATION DISTRICT
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2017

	Page
INTRODUCTORY SECTION:	
Table of Contents	i
FINANCIAL SECTION:	
Accountant's Compilation Report	1
Financial Statements:	2
Statement of Assets, Liabilities and Net Position – Cash Basis	3
Statement of Revenues, Expenses and Changes in Net Position – Cash Basis	4
Notes to Financial Statements	5-7

Kimberlye R. Mayer, CPA, P.C.

723 West Doolin

Blackwell, OK 74631

(580) 363-1453
Fax (580) 363-0068

Accountant's Compilation Report

Board of Directors
Alfalfa County Conservation District

Management is responsible for the accompanying financial statements of the Alfalfa County Conservation District which comprise the statement of assets, liabilities and net position as of June 30, 2017 and the related statements of revenues and expenses and changes in net position and of cash flows for the year then ended, and the related notes to the financial statements in accordance with the cash basis of accounting. Management is responsible to determine that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy and completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.



Kimberlye R. Mayer, CPA, PC
Blackwell, Oklahoma
October 27, 2017

FINANCIAL STATEMENTS

AND

NOTES

ALFALFA COUNTY CONSERVATION DISTRICT
STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION
CASH BASIS
JUNE 30, 2017

ASSETS

Current Assets:	
Cash and cash equivalents (Note 3)	\$ 176,002
Certificates of deposit	<u>37,859</u>
Total Current Assets	<u>213,861</u>
Total Assets	<u><u>\$ 213,861</u></u>

LIABILITIES AND NET POSITION

Current Liabilities:	\$
Net Position:	
Unrestricted	<u>213,861</u>
Total Net Position	<u>213,861</u>
Total Liabilities and Net position	<u><u>\$ 213,861</u></u>

ALFALFA COUNTY CONSERVATION DISTRICT
STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION
CASH BASIS
YEAR ENDED JUNE 30, 2017

Revenues:	
OCC reimbursements	\$ 29,653
Cost share received	4,802
Watershed income	37,405
Equipment rental, bait and seed sales	9,677
Building rent	49,884
Other income	453
Total Operating Revenues	131,874
Expenses:	
Salaries	34,922
Payroll taxes and employee benefits	5,086
Cost share paid	7,311
Watershed project	37,405
Advertising and promotion	832
Office supplies and postage	2,193
Insurance	4,001
Meetings and travel	2,494
Professional fees	535
Seed and gopher bait	8,775
Building maintenance & supplies	1,673
Fuel, supplies and repairs	360
Memberships, dues and subscriptions	1,513
Utilities and phone	9,921
Director fees	1,300
Conservation education	2,771
Equipment lease	950
Total Operating Expenses	122,042
Operating Income (Loss)	9,832
Nonoperating Revenues (Expenses):	
Interest income	669
Oil production income	1,763
Purchase of assets	(6,476)
	5,788
Changes in net position	5,788
Net position at beginning of year	208,073
Net position at end of year	\$ 213,861

See Accountant's Compilation Report.

ALFALFA COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization

The Alfalfa County Conservation District was created under Title 27A, Sections 3-1-101 through 3-3-410, as amended, of the laws of the State of Oklahoma. The purpose of the District is to provide for the conservation of the renewable natural resources in the area for which the District is responsible.

Basis of Accounting

The District prepares its financial statements using the cash basis of accounting. This basis recognizes assets, liabilities, net assets/fund equity, revenues, and expenditures/expenses when they result from cash transactions. This basis is a basis of accounting other than accounting principles generally accepted in the United States of America.

As result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

Net Position

Net position presents the difference between assets and liabilities in the statement of net position. Net investment in capital assets are reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are legal limitations imposed on their use by District legislation or external restrictions by creditors, grantors, laws or regulations of other governments.

NOTE 2 – CASH AND CERTIFICATES OF DEPOSIT:

Bank balances and certificates of deposit are covered by the Federal Deposit Insurance Corporation. All deposits at June 30, 2017 were fully insured.

NOTE 3 – CASH AND CASH EQUIVALENTS:

The District considers the operating account and certificates of deposit with a maturity date of less than three months to be cash equivalents.

Cash and cash equivalents at June 30, 2017 included the checking accounts and two certificates of deposit.

ALFALFA COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 4 –LAND, PROPERTY AND EQUIPMENT:

Land, property and equipment are not reported on the balance sheet. The following is a list by category of the land, property and equipment at June 30, 2017:

Land and easements	\$ 22,200
Buildings & improvements	217,164
Office equipment	4,764
Machinery & equipment	<u>75,718</u>
	<u>\$ 319,846</u>

NOTE 5 – OCC REIMBURSEMENTS:

The District is reimbursed by the Oklahoma Conservation Commission for salaries, payroll taxes, mileage, telephone charges, office supplies, and certain other office expenses. When received, such reimbursements are recognized as revenues.

NOTE 6 – RETIREMENT PLAN:

Oklahoma public employees who work 1,599 hours or more per year were enrolled in the Oklahoma Public Employees Retirement System. On salaries paid from reimbursable funds from the Oklahoma Conservation Commission the employers 16½ % share of retirement was paid directly by the Commission. The employees' share of the retirement contribution was 3 ½% of locally earned wages and 3 ½% of state reimbursable wages.

NOTE 7 – CASH AND DEPOSITS:

The State of Oklahoma allows government entities to invest in the following: direct obligations of the United States Government, its agencies or instrumentalities; collateralized or insured certificates of deposit; insured savings accounts or savings certificates; or county, municipal or school district direct debt.

ALFALFA COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 8 – RISK MANAGEMENT:

The District is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The District and the OCC manage this risk through the purchase of commercial insurance policies.

NOTE 9 – CONTINGENCIES:

As of June 30, 2017, the District did not have any pending litigation or potential non-disclosed liabilities that management believes would have a material effect on the financial statements.

NOTE 10 – FAIR VALUE OF FINANCIAL INSTRUMENTS:

The definition of fair value for financial reporting, establishes a framework for measuring fair value, and requires additional disclosure about the use of fair value measurements in an effort to make the measurement of fair value more consistent and comparable.

Level 1: Quoted prices in active markets for identical securities.

Level 2: Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment spread and credit risk).

Level 3: Significant unobservable inputs (including the District's own assumptions in determining the fair value of investments).

The District's financial statements include cash and certificates of deposits. The District's estimates of the fair value of all financial instruments do not differ materially from the aggregate carrying value of its financial instruments recorded in the accompanying statement of net position. The carrying amount of these financial instruments approximates fair value because of the short maturity of these instruments.